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ON THE APPLICATION OF SCIENCE AND TECHNOLOGY
FOR THE BENEFIT OF THE LESS DEVELOPED AREAS

SUMMARY

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USSR

CORRELATION BETWEEN THE PRODUCTION OF CAPITAL GOODS AND THE PRODUCTION OF CONSUMER GOODS PERMITTING THE MOST EFFECTIVE DEVELOPMENT OF AN INDEPENDENT ECONOMY IN UNDERDEVELOPED COUNTRIES

By L.I. REUSNER
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Correlation between the production of capital goods and the production of consumer goods permitting the most effective development of an independent economy in under-developed countries.

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SUMMARY

Many recently liberated countries are adopting a variety of measures for the development of their economy, in a particular industry. But in several of these countries industry is being developed by methods which retard the achievement of economic independence and are accompanied by an increase of the deficit of the balance of payments. The chief cause of this situation is that the development of light industry does not accord with that of heavy industry. In this connection, an attempt has been made in the report to define the correct correlation between Departments I and II, on the example of India. Using Marx's theory on the reproduction of social capital, the author shows that for the complete satisfaction of the needs of the light industry, additional capital amounting to 26,000 million rupees would need to be invested in Department I. Since India has not such resources at her disposal, an improved correlation between Departments I and II could be achieved by precise planning of the distribution of capital investments according to branches, a change in the licensing policy, and the introduction of multi-shift working at heavy industry enterprises.